

13 January 1956

Mr. Frederick C. Balen
Chief Counsel
Post Office & Civil Service Committee
House of Representatives
Washington 25, D. C.

Dear Mr. Balen:

I refer to a letter dated 14 October 1955 to Mr. Dulles from Chairman Murray of the House Committee on Post Office and Civil Service and to a reply from Mr. Dulles to Chairman Murray dated 18 November 1955.

The above-mentioned letter from Mr. Dulles was in the nature of an interim report as to the actions being taken by the Central Intelligence Agency in compliance with the requests contained in the original letter from Chairman Murray. It has been supplemented by discussions between representatives of this Agency, including myself, and you and members of the Committee staff. The purpose of this letter is to summarize in writing the actions which we have taken and intend to take in the future to insure the most effective utilization of our manpower and to bring about personnel reductions wherever such reductions can be effected without a loss of efficiency in carrying out the duties imposed upon the Agency by the President and the National Security Council.

In order to place this problem in proper perspective, I would like to describe certain events in the recent history of the Central Intelligence Agency which I believe are relevant to the considerations and objectives stated in the letter from Chairman Murray. As you know, the intelligence functions of the United States Government were carried on at a reduced pace during the years immediately following World War II. The outbreak of hostilities in Korea, however, and events which followed made it necessary for this Government to expand greatly and to improve its activities in this field. In the months immediately following the outbreak of hostilities in Korea our expansion was rapid, both as to functions and as to the personnel required to carry out those functions.

As a result, the Agency grew substantially in a relatively short period of time and continued to grow, although the rate leveled off after the initial expansion period. Although the requirements on this Agency have not been decreased, and in many areas have been substantially increased within the last year, the Director of Central Intelligence has made a constant effort to avoid increasing our numbers and finally directed last August that with the exception of certain extremely important and specific projects components of the Agency must find ways and means to carry on their work through Fiscal Year 1957 at approximately their 31 July 1955 strength. While this did not reduce the actual number of personnel on duty, it did reduce by more than 10% the strength which these components had justified and planned for in their budgets.

I point out the foregoing simply to indicate to you that the objectives of the House Committee on Post Office & Civil Service in the field of manpower utilization, as expressed in Chairman Murray's letter, are completely shared by the Director of Central Intelligence and that he had in fact taken specific measures in the direction of these objectives prior to receipt of this letter.

While we have a continuing Management Improvement Program which gives primary attention to manpower requirements and evaluates every request for changes in manpower, after receiving the Chairman's letter additional steps were taken within the Agency to explore possible means of increasing effectiveness of manpower utilization and of reducing personnel strength. As Mr. Dulles indicated in his letter of 18 November 1955, a special task force was established within the Agency, under the chairmanship of its Inspector General and consisting of high-level representatives of every major functional area, which has explored this problem fully throughout the entire Agency. Inasmuch as during the recent past our organization had been thoroughly examined by a special task force headed by General Doolittle, as well as the General Mark Clark Task Force of the Hoover Commission, we did not re-examine the major organizational arrangement of the Agency; rather, the following three questions were asked of each individual office:

- a. How would you effect a cut of 10%, if such a cut were required?
- b. In what areas of your operation is there a possible duplication with activities of this or other Governmental agencies, or are you servicing the exclusive requirements of other Governmental agencies, and what would be the resultant personnel saving in the event that such functions were discontinued?

- c. In order to accomplish your assigned mission with maximum effectiveness, what additional personnel, if any, would be required over and above the ceiling imposed in arriving at the current budget request for the Agency?

The latter question was designed to provide the task force and the Director with a balanced picture of personnel requirements. This was considered necessary and desirable because many offices had maintained that their allowances, within the limits of the over-all Agency budget request, were inadequate to meet their needs. Answers to these questions have been received from all offices and have been analyzed and discussed in detail by the task force itself. Our analysis indicates that an immediate 10% reduction could not be made without abandoning essential functions. However, the area of greatest possibility lies in further examination and evaluation of those activities which we have undertaken at the request of other Governmental agencies, in some instances for their exclusive benefit. At the same time, however, we know that in order to cope with new and urgent requirements there are areas in which we must grant increases. Our special study has not greatly encouraged us to date that we can effect a net decrease in the Agency, but it has pointed up areas in which we may be able to make reductions to offset other essential increases. We shall pursue every such possibility. A study of one function within the Agency, although not involving large numbers, indicates that combining it with another function will effect a saving of 10% to 15% in this unit. In another area we are hopeful that we may be able to contract for certain services now performed by staff personnel, thereby effecting a reduction of almost 25% in this particular unit.

I believe it should be borne in mind that the Central Intelligence Agency is a relatively new arm of the Federal Government, having been constituted in 1947. Since that time the interests of our national security have required an expansion of the type of functions which this Agency is expected to perform. However, through the Director's insistence that we avoid increasing our personnel strength where possible, and by a constant analysis of our manpower requirements, we have continued to accept responsibility for new projects and programs without a corresponding increase in personnel. Although difficult to measure accurately, I am confident that increased responsibilities in terms of manpower requirements have exceeded our actual manpower increases by 15% to 20% during the past two years.

Again may I assure you of our complete agreement with the spirit of the Committee's objectives, and of our wholehearted cooperation. The

Director of Central Intelligence will communicate with Chairman Murray as soon as he has been able to study the recommendations of his task force and reached his own conclusions as to the validity of those recommendations.

Sincerely,

/s/
L. K. White
Deputy Director

LC:MP:

Rewritten: DD/S:LKW/lag

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